Pt II

195 .51 **File No.** 2122/48

P W

**B CLASS.** E L **DEPARTMENT**

**BRANCH**

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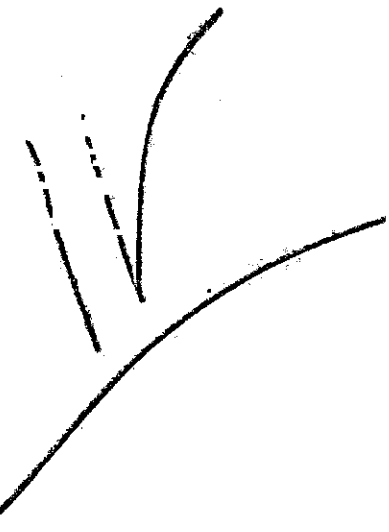
**Subject:—** Electricity Supply Act 1948:
prescribed period of depreciation
of assets.



B[K] 1950

Pt-II

**File No.** 2122/48

Std. Sestt. Slip. 94 A.

Std. Sectt. 78 a.

G.R., G.D., No. 2408, dated 22-6-22.]

Correspondence

# DOCKET SHEET

*Subject :—*

File No. 2122/48 Pt II

P.W DEPT.

E L BRANCH.

*References :—*

| Date. | To whom sent. | Notes and instructions. |
|---|---|---|
| | | |

P.W.D.

El.Br.(I). O-N.

The following El. Supply Coys.have applied for variations in the presceibed period of depreciation in respect of their various assets only and not for constitution of Rating Committees under the provisions of Ely. (Supply) Act, 1948 :-

(1) The Amalgamated Ely.Coy (Belgaum) Ltd.

Bulsar Branch.

(2) The Jalgaon Ely. Supply Coy., Ltd.
(3) The Malegaon Ely. Coy., Ltd.
(4) The Broach Ely. Supply and Development Coy. Ltd.
(5) The Viramgam El. Supply Coy., Ltd.
(6) The Nasik-Deolali El. Supply Coy., Ltd.
(7) The Chalisgaon El. Supply Coy., Ltd.
(8) The Dohad Ely. Coy., Ltd.
(9) The Surat Ely. Coy., Ltd.
(10) The Satara El. Supply Coy., Ltd.
(11) The Amalgamated Ely. Coy.(Belgaum) Ltd.

Belgaum Branch.

(12) The Dharwar El. Supply Coy., Ltd.
(13) The Lonavla-Khandalla El. Supply Co., Ltd.
(14) The Licensee, Barsi El.Licensee, 1933.

Reports on the physicsl condition of the assets of the Coys. mentioned at S.Nos. 1-12 above have been received from the El. Commr. The Files containing the El. Commr.'s reports in respect of Coy.s mentioned at S.Nos. (10) to (12) are under U.O.R. to the El. Engr. since the 5-4-50, that Officer has been expedited for their return. Reports in respect of Coys. mentioned at S.Nos. (13) and (14) are still awaited from the El. Commr. that Officer has also been eppedited for submission of his reports.

2. Statements showing comparision of periods of depreciation in respect of various assets of the Coys. except, gene-rating sets, are attached in files in respect of Coy.s mentioned at S.Nos. (1) to (9) in para. 1 above. A consolidated statement showing similar information in respect of the generating sets of these Coys. is also .....

Ccys. is also prepared as directed by the Secy
It is for orders what periods of depreciation may
be allowed in respect of the various assets of these Coys.

Id/-
6-5-50.

Depreciation periods of the assets, other than the generating sets:- I have indicated the periods which might be adopted in these cases, in column 7 of the statements in the respective files.

Depreciation periods for the generating sets these have been indicated in column 14 of the consolidated statement kept below. The following general basis have been adopted. -

| | | |
|---|---|---|
| (New) sets installed before 1947. | ... | 25 years. |
| Second-hand sets. | ... | 20 years. |
| New sets, recently fixed. | ... | 15 years. |

Exceptions:-

(i) Broach Electricity Supply Company.

Sets I and II :- These were fixed in 1924. Adding 25 to this, we lead to the year 1949; but since these sets are still working, it is proposed to assign 28 years period, carrying to 1953.

Set III - This second hand set was installed in 1926. By adding 20 years, we get 1946. But since the set is working, it can easily be carried to 1951. Life of 25 years is therefore proposed.

(ii) Nasik-Deolali Elec. Supply ompany.

Sets I, II and III :- These second hand sets were installed in 1931; but since, the sets are still working they can be carried upto 1953. Life of 22 years has been therefore proposed.

Set No.IV :- This second hand set was installed in 1943. From Shri Yaj-nik's report, its working is not satisfactory. It may therefore be given life of 12 years (as against 6 recommended by Shri Yajnik)

Id/-
9/5/50-

3

The periods are generally suitable - with the exception of those which I have modified from 22 to 25, 28 to 30.

The Elec. Engr. may see for remarks, if any, before the case is submitted to H.M.

Id/-
9/5.

V.Urgent.

U.O. to El. Engr. to Govt. dy. 10-5-50.

*with one statement and 9 filed Nos. 2122/48(2) (9), (15), (18), (11), (19), (16), (17), and (1).

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Below U.O.R. No. 2122/48 dated the 10th May 1950, from Government in the Public Works Department.

...

No. LRM 31/1707 of 1950.
Bombay, 12th May 1950.

Returned, with compliments.

2. I agree with the Secretary's note. The periods of depreciation in respect of the various assets as proposed seem to be satisfactory and may be adopted.

Id/-

Electrical Engineer to Govt.

5

2122/48/38461.

P.W.D.

El.Br. (I).

Submitted with reference to the Secy.'s note dated the 9-5-50.

2. Please see the Electrical Engineer's U.O.R. within. In view thereof it is for orders whether the periods of depreciation proposed in respect of the various assets of the Supply Coys. mentioned at S.Nos. (1) to (9) in para. 1 of the O.N. within may be approved.

Yes.
Id/-
22/5.

3. The El. Engr. has since returned the files in respect of the Supply Coys. mentioned at S.Nos. (10) to (12) in para. 1 of the O.N. within. Statements showing comparision of periods of depreciationin respect of the various assets of these Coy.s, except generating sets, have been attached in the respective files. Information re: generating sets of these three Coys. has been indicated in the consolidated statement. In this connection it may be stated that the Supply. Coy. mentioned at S.No. (10) in para. 1 of the O.N. within has intimated that it does not now want any variations in the prescribed period of depreciation in respect of its assets. This Coy.'s application for variation in the prescribed period of depreciation may therefore if approved, be treated as cancelled and it may be informed accordingly.

Yes.
Id/-
22/5.

4. It is for orders what period of depreciation may be allowed in respect of the various assets of the Supply Coys. mentioned at S.Nos. (11) and (12) in para. 1 of the O.N. within.

Id/-
20/5/50.

Margins

I have indicated at the appropriate places, the periods of depreciation which should be adopted in respect of the various depreciable assets of the Amalgamated Ely. (Coy). Belgaum Ltd. and to Dharwar

Ely. Supply Co. There are no special points which require comments so far as these cases are concerned.

Id/-
22/5/50. Secy.

Id/-
22/5. H.M.

Id/-
24/5/50.

2122/48/38461.

P.W.D.

El.Br.(I).

Resubmitted.

2. Necy. drafts are put up for approval in files in respect of Supply oys. mentioned at S.Nos. (1) to (12) in para. 1 of the O.N. dated the 6-5-50.

3. Reports on the physical condition of the assets of the Supply oys. mentioned at S.Nos. (13) & (14) in para. 1 of the C.N. within have met been recd. from the Elecl. Commr. so far. That officer is being expedited separately in the matter. Receipt of the reports from that officer may be awaited.

Pd/-
-6-50.

Id/-
3/6/50.

---

P.W.D.

El.Br. (I).

Resubmitted.

2. Reports from the Elecl. Commr. on the physical condition of the assets of the Supply Coys. mentioned at S.Nos. (13) & (14) in para. 1 of the O.N. dated the 6-5-50 have been recd. and necy. orders thereon have also beem issued ~~in~~ in the respective files. No further action is therefore necy. an these papers.

Reoord.

Id/-
18-8-50.

Id/-
18/8/50.

9

2122/48.

P.W.D.

El.Br. (I).

O.N.

The following El. Supply Coys. have applied for constitution of Rating Comittees under the provisions of Ely. (Supply) Act, 1948 and also for variation in the prescribed period of depreciation respect of their assets :-

(I) The Anand El. Supply Coy., Ltd.

(II) The Sinnar El. Supply Coy., Ltd.

(III) The Nadiad El. Supply Coy., Ltd.

(IV) The Manmad El. Supply Coy. Ltd.

(V) The Yeola El. Supply Coy., Ltd.

(VI) The Licensee, Palghar Navli El. Licensee, 1939.

(VII) The Godhra Ely. Coy. Ltd.

(VIII) The Ahmednagar Ely. Coy., Ltd.

(IX) The Rander Ely. Coy., Ltd.

Report on the physical condition of the assets of the Coys. at S.Nos. (I) to (VII) have so far been received from the Elecl. Commr. That officer has been expedited for submission of reports in respect of the Coys. at S.Nos. VIII and IX above.

2. The following additional El. Supply Coy.s have applied for constitution of Rating Committees only:-

(I) The Sangamner El. Supply Coy., Ltd.

(II) The Amreli El. Supply Coy., Ltd.

(III) The Sanand El. Supply Coy., Ltd.

(IV) The Ratte Ely Supply Coy., Ltd.

The Elecl. Commr. has been requested to submit reports on the physical condition of the assets of these Coys. Report in respect of the Sangamner El. Supply Coy., Ltd., has only been recd. so far from the Elecl. Commr. These Coys. have also been asked to state the definite periods of depreciation desired to be adopted by them in respect of their various assets. Replies from them are awaited.

3.....

3. Statements showing the periods of depreciation of all the assets of the Coys., except generating sets, in respect of the Coys. mentioned at S. Nos. (I) to (VII) in para. 1 above and ay S.No. (I) in para. 2 above are attached in respective files. A consolidated statement showing similar information in respect of generating sets of these Coys. is also prepared as directed by the Secy. In this connection it may be stated that only the Supply Coys. at S.Nos. (I) to (III) and (VIII) in para. 1 above have stated the definite periods of depreciation desired to be adopted by them in respect of their various assets. The remaining Coys. have, therefore, been requested to furnish this information at an early date.

4. The licensee at S.No. (VI) has since informed that he does not now want any variation in the prescribed period of depreciation. The remaining Coys. have again been expedited in the matter. Replies from them may be awaited.

Id/-
6-5-50.

I have idicated the periods of depreciation for the plant and machinery, in the consolidated statement and for the remaining depreciable assets in each of the separate statements in the file concerned in respect of the following licensees:-

(1) The Anand Electricity Supply Coy. Ltd.

(2) The Sinnar ------- do --------

(3) The Nadiad -------- do --------

(4) The Palghar- evli -----do-------

No proposals could be made in respect of the remaining Coys., either for want of the Elecl. Commr.'s report, or a reply from the Coys. regarding the definite periods desired to be adopted or for want of both.

The licensee for Palghar-Nevli has informed that he does not want any variation in the prescribed periods

of .....

of depreciation. This is rather surprising when one sees that this concern is continuously recurring at a loss, during the last three years and it has so far (upto 30th June 1949) provided Rs. 18,468, which represents 9.7% of the total depreciable assets towards the Depreciation Fund, in the 8th year (out of the total licensee period of 30 years) of its working.

It is presumed that the issue of Govt. Orders about the variations of the periods of assets of the Coys. which have applied for the Rating Committee (mentioned in para. 1 of the C.N.) will have to be deferred till the reply from the remaining Coys. about the definite periods of depreciation and the Elecl. Commr.'s reports about the condition of the assets in some cases are received.

Id/-
8-5-50.

We have to pass orders early about Nadiad (Anand) whose case is under examination by the Rating Committee. Before doing so, however, we must have the replies of the El. Supply Coys. at S.Nos. 4 to 7 (vide A above) so that w e can pass consistent orders on the seven cases at I to VII (on which inspection reports are ready).

The Coys. at .SNos. 4 to 7 to be expedited every week.

Id/-
9-5-50,
Secretary.

P.W.D.

El.Br.(I).

Resubmitted.

2. The Supply Coys. mentioned at S.Nos (IV), (V) and (VII) in para. 1 of the C.N. within have since stated the periods of depreciation desired to be adopted by them in respect of their various assets. Periods of depreciation in respect of plant and machinery of these Coys. have been indicated in the Consolidated Statement.

Periods of depreciation in respect of the remaining depreciable assets have been shown in the respective files.

3. With regard to the application from the licensee, Palghar-Navli El. License, 1939, it may be stated that since the licensee has now intimated that he does not wish to have any variation in the prescribed period of depreciation in respect of his assets, it does not seem necy. to expedite him in the matter. His application may perhaps be treated as cancelled and he may be informed accordingly.

4. It is for orders in what periods of depreciation may be allowed in respect of the various assets of the Supply Coys. mentioned at S.Nos. (I) to (V) and (VII) in para. 1 of the C.N. within.

Id/-
18/5/50.

The periods of depreciation which may be adopted for the plant and machinery and the remaining assets of the following Coys. have been indicated by me in the appropriate places:-

(1) The Manmad Elec. Supply Coy.

(2) The Yeola ----. Do ------

(3) The Godhra ----- Do -----

Periods for Aand, Nadiad and Sinnar Coys. were already shown.

So far as the sets are concerned the following basis has been generally followed for these concerns, which have applied for the constitution of the Rating Committee :-

Diesel - Plant

| | |
|---|---|
| (1) New sets installed before 1947 | ... 30 years. |
| (2) Secondhand sets --- dO- ------- | ... 25 years. |
| (3) New sets installed after 1947 | ... 15 ". |

Steam-Plant.

| | |
|---|---|
| (1) New sets. ... ... ... | ... 35 " |
| (2) Secondhand sets. ... ... | ... 30 " |

As .....

As remarked by the Secy. on the letter received from the Association of Electrical Undertaking, no periods have been prescribed in the case of the assets, for which the Coys. have not stated any definite periods.

Secy. Id/-
18-5-50.

Id/-
19-5-50.

H.M. Id/-
19/5/50.

Id/-
20/5/50.

Id/-
20/5/50.

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P.W.D.

El.Br. (I).

Resubmitted.

2. Secy. drafts are put up for approval in the files in respect of Supply Coys. mentioned at S.Nos. (I), (II) & (IV) to (VII) in para. 1 of the C.N. dated the 6-5-50. The file in respect of Supply Coy. mentioned at S.No. (III) in para. 1 of the above O.N. is under submission to the H.M. P.W.D. Secy. orders in respect of that Coy. will be put up on receipt of the file from the H.M.

Id/-
27-5-50.

Id/-
27-5-50.

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Recd. with letter No.Elg. 429/2143.
dt. the 1-6-50, from the Elecl.
Commr. (2122/48/151/44515).

15 ✓

## THE CHALISGAON ELECTRICITY COMPANY LTD.

### PART - III.

(1)

| | | | |
|---|---|---|---|
| Set No. 1 | Cost of set | Rs.15,000/- | Installed in 1937. |
| Set No. 2 | -do- | Rs.15,000/- | " " 1937. |
| Set No. 3 | -do- | Rs.26,000/- | " " 1938. |
| Set No. 4 | -do- | Rs.75,000/- | " " 1948. |

(2) Depreciation is provided in the book of assets. The approximate depreciation of each assets proportionately worked out as per the VII Schedule to the Electricity (Supply) Act, 1948:-

| | | |
|---|---|---|
| (a)&(b) | Depreciation on Plant & Machinery | Rs.26,910/-/- |
| (c) | " " Distribution System. | Rs.16,810/-/- |
| (d) | " " Power House & other Buildings. | Rs. 2,820/-/- |
| (e) | " " Meters. | Rs. 2,010/-/- |

(3) Total depreciation on all assets upto 31.3.1949 is Rs.50,707/-/- as per books.

(4) Present value of various assets as on 31-3-1949 in our books is as under :-

| | |
|---|---|
| Power House and other Buildings. | Rs.40,100/-/- |
| Plant & Machinery | Rs.1,28,451/-/- |
| Mains | Rs.1,13,155/-/- |
| Service | Rs. 45,403/-/- |
| Meters | Rs. 36,095/-/- |
| Miscellaneous Plant & Machinery. | Rs. 17,624/-/- |
| Hiring Installations | Rs. 920/-/- |
| Furniture & Fixtures | Rs. 7,246/-/- |
| Motor Car & Cycles. | Rs. 2,896/-/- |

(5) No dividend declared.

---

17

No. 1237 EL/XXIII-152EL/1950.

From

Shri B.L.CHAK, I.A.S.,
Deputy Secretary to Government.
Utter Pradesh.

To

The Secretary to the Government of Bombay,
Electricity Department,
B O M B A Y.

Dated Lucknow, October 7, 1950.

Subject:- ELECTRICITY (SUPPLY) ACT, 1948.

Sir,

PUBLIC WORKS (D) DEPARTMENT.

I am directed to request you kindly to let this Government know whether the Government of Bombay have, under Proviso to Clause XVII (8) of the Sixth Schedule to the Electricity (Supply) Act, 1948, allowed the marginally noted variations in the periods of depreciation laid down in the Table appended to the Seventh Schedule to the said Act in respect of Small Electric Supply Undertakings.

| | | |
|---|---|---|
| Diesel Electric Plant | ... 20 to 30 | years. |
| Meters | ... 20 | years. |
| Over head lines | ... 30 | years. |
| Power House Building | ... 45 to 50 | years. |

Yours faithfully,

( Sd/ B:L.CHAK)
Deputy Secretary.

Id/-
7-x-50.

19

2122/48/82809.

P.W.D.

El.Br. (I).

Submitted.

2. The D.S. to the Govt. of Uttar Pradesh, P.W.D. desires to know the basis adopted by this Govt. in allowing variation in the prescribed period of depreciation in respect of the assets of small El. Supply Undertakings.

3. Pl. see the notes on pp. of File No. 2 122/48 (5) & portion 'A' on p. and portion 'B' on p. ante. In view thereof the D.S. to the Govt. of Uttar Pradesh, P.W.D. may be addressed as per draft p ut up for approval.

Id/-
30-10-50.

D.S.

The basis is only for our guidance; it cannot be taken as of general application. The Dy, Secy.

Secy.

to the Govt. of Uttar Pradesh, P W.D. may therefore be informed that each case is judged on merit, before deciding to variations to ~~it~~ be allowed in the prescribed periods of depreciation.

Id/-
31-10-50.

Id/-
Secy. 31-10-

21

No.2122/48-El.(I). Public Works Department,
Bombay Castle (Bombay No.1),
1st November 1950.

From

Shri K.V.Joglekar, B.E., B.S.E.(I),
Deputy Secretary to the Government of Bombay,
Public Works Department.

To

The Deputy Secretary to the Government
of Uttar Pradesh, Public Works Department,
LUCKNOW.

Subject:- Electricity (Supply) Act, 1948:
Prescribed period of depreciation
of assets.

Sir,

I am directed to refer to your letter No. 1237 El/XXIII-152 El/1950, dated the 7th October 1950, on the subject mentioned above and to state that each application for variation in the prescribed period of depreciation for assets of electrical undertakings is decided on its merits in the light of the date of purchase of the asset, its present physical condition, etc. The following table indicated generally the periods that are adopted :-

| Name of asset. | Period of depreciation prescribed in the Electricity (Supply) Act, 1948. | Period adopted. |
|---|---|---|
| | Years. | Years. |
| (I) Diesel Electric Plants. | 15. | 15 to 30 |
| (II) Meters. | 15. | 20 |
| (III) Overhead lines. | 25. | 35 |
| (IV) Power House Buildings. (a) Containing Hydro-Electric generating sets - | 35 | 50 |
| (b) containing Thermo-Electric generating sets - | 30 | 45. |

The period .....

The period is subject to variation in the special circumstances of a case..

Yours faithfully,

Id/-
2-11-50.

Deputy Secretary to the Government of Bombay,
Public Works Department.

D.A. Nil.

...

5/9/56